

Fourth Amendment to the 1993 Victor Valley Redevelopment
Project

Owner Participation Rules

Prepared for:

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I. PURPOSE AND INTENT

- A. California Community Redevelopment Law (Health and Safety Code 33000 et. seq.) requires the Victor Valley Economic Development Authority ("VVEDA") to establish and make known to property owners, operators of businesses, and tenants within the 1993 Victor Valley Redevelopment Project Area (the "Project Area"), VVEDA's rules and guidelines for implementing owner participation opportunities in the Project Area. These rules and guidelines are based upon the following objectives:
1. VVEDA's commitment to afford maximum participation to existing property owners who will be affected by VVEDA's activities within the Project Area; and
 2. VVEDA's similar commitment to extend reasonable preferences as set forth in these rules to existing property owners within the Project Area in the redevelopment, rental, or ownership of new industrial, commercial, or residential uses within the Project Area.
- B. An Owner Participation Agreement (as contemplated by these Rules) is a contractual agreement between VVEDA and a property owner, operator of a business, or tenant which contains the specific responsibilities and obligations of each party regarding a specific implementation of property improvements and land use.
- C. These rules set forth the process for owner participation in the Project Area.

II. DEFINITIONS

- A. "VVEDA" means the Victor Valley Economic Development Authority.
- B. "Participating Jurisdictions" means each member jurisdiction of the Victor Valley Economic Development Authority (which are the Cities of Adelanto, Hesperia and Victorville, the Town of Apple Valley, and the County of San Bernardino).
- C. "Owner Participation Agreement" means an agreement entered into between VVEDA and an owner of real property, persons engaged in business, or a tenant doing business within the Project Area in accordance with the provisions of the Redevelopment Plan and the Rules as described herein.
- D. "Project Area" means the 1993 Victor Valley Redevelopment Project Area (inclusive of the Added Area) which is subject to the Redevelopment Plan.

- E. "Redevelopment Plan" means the Victor Valley Redevelopment Plan for the 1993 Victor Valley Redevelopment Project Area (inclusive of all amendments).
- F. "Rules" means VVEDA rules governing participation and re-entry preferences for property owners, operators of business, and tenants in the Project Area.
- G. "Law" or "CRL" means the California Community Redevelopment Law (Health and Safety Code).
- H. "Added Area" means the territory added to the Project Area by the Fourth Amendment to the Redevelopment Plan.

III. GENERAL

- A. These Rules have been adopted by VVEDA specifically to implement the provisions of the Redevelopment Plan and Section 33000 et. seq. of the Law regarding participation and the exercise of re-entry preferences for property owners, operators of businesses, and tenants located in the Project Area. Persons and business desiring to exercise their owner participation rights and preferences shall abide by these Rules.
- B. VVEDA desires and urges participation in the growth and redevelopment of each of the parcels encompassed within the Project Area by as many property owners as possible. In view of the pattern of land use and development envisioned by the Redevelopment Plan, qualified persons, whenever feasible, as determined by VVEDA, will be encouraged to take advantage of such participation and preference opportunities as described herein, subject to and limited by factors such as the following:
 - 1. the elimination and/or modification, if any, of existing uses;
 - 2. the vacation, realignment and/or alteration, if any, of existing streets;
 - 3. the ability of prospective participants to finance and complete proposed redevelopment projects consistent with the Redevelopment Plan and time schedules of performance;
 - 4. the capability and/or experience of the prospective owner-participant to implement proposed development, the level of which will be determined by VVEDA; and
 - 5. the proposed land uses for redevelopment of the Project Area.

- C. The Redevelopment Plan authorizes VVEDA to establish reasonable priorities and preferences among participants; accordingly, the following order of priorities is established:
1. Existing property owners, business operators, and tenants desiring to participate in their same location in compliance with the Redevelopment Plan and desiring to build new industrial, commercial, or residential developments.
 2. Owner-occupants relocating within the Project Area in accordance with and as a result of the Redevelopment Plan implementation which may cause the temporary displacement of a property owner.
 3. Existing tenants relocating within the Project Area in accordance with and as a result of Redevelopment Plan implementation.
- D. VVEDA may, in its discretion, decline any offer of owner participation; resolve conflicting proposals between owners interested in redeveloping the property; or resolve conflicting proposals between owners and others interested in developing the property based upon the following considerations:
1. conformity of the proposal, with the intent and objectives of the Redevelopment Plan;
 2. whether the proposal will be in the public interest;
 3. amount of sales tax revenue, tax increment revenue and other economic benefit accruing to the Participating Jurisdictions and VVEDA from the proposal;
 4. employment retention and generation, and other economic benefits which can be expected to result to the community if the proposal is accepted;
 5. size and configuration of the parcel proposed for owner participation;
 6. ability of persons desiring to redevelop the property to implement the proposed project, taking into consideration the developer's financial capability, prior experience with similar development, ability to obtain financing, the ability to abide by VVEDA design standards and development controls;
 7. time schedule for completion of the proposed project; and

8. estimated cost of public and VVEDA services required if the proposal is accepted.

IV. PARTICIPATION BY OWNERS OF REAL PROPERTY

A. Participation in the Same Location

In appropriate circumstances, as determined by VVEDA, where such action would foster the goals and objectives of the Redevelopment Plan, an owner may participate in substantially the same location either by retaining all or portions of his property and purchasing adjacent property, if needed and available for development; rehabilitating or demolishing all or part of his existing buildings; initiating new development; or selling property to VVEDA.

B. Participation in a Different Location

When necessary to accomplish the objectives of the Redevelopment Plan, VVEDA may offer prospective owner-participants real property within the Project Area at fair market value as determined by negotiation.

V. PARTICIPATION BY OPERATORS OF BUSINESSES AND TENANTS

Pursuant to these Rules, non-property owners are tenants engaged in business within the Project Area will be given opportunities to remain or to obtain reasonable preferences to re-enter in business within the Project Area if they otherwise meet the requirements prescribed by the Redevelopment Plan and these Rules.

VI. TYPES OF PARTICIPATION

A. Conforming Owners

If VVEDA determines that the use of specific real property within the Project Area meets the requirements of the Redevelopment Plan, and the owners of such properties desire to continue such use or uses, the parties shall execute an Owner Participation Agreement. Such an agreement shall provide, among other things, that the owners shall continue to operate and use the real property in accordance with the requirements of the Redevelopment Plan. VVEDA shall not, through the use of eminent domain, acquire property which is subject to an Owner Participation Agreement if the owner fully performs pursuant to such agreement. In the event an owner-participant breaches the terms of the Owner Participation Agreement, VVEDA may declare the agreement terminated and may acquire the real property or any interest therein within the time limit set forth in the Redevelopment Plan for acquisition by eminent domain.

B. Owner Participation Agreements

VVEDA is authorized to enter into an Owner Participation Agreement regarding properties purchased or not to be purchased by VVEDA and not included in VVEDA's determination of conformance. Each agreement will contain provisions necessary to ensure that the participation proposal will be carried out and that the subject property will be developed or used in accordance with the conditions, restrictions, rules, and regulations of the Redevelopment Plan and the agreement. Each agreement will require the participant to join in the recordation of such documents as VVEDA may require in order to ensure such development and use.

Owner Participation Agreements will be effective only if approved by both the Participating Jurisdiction within whose territory the subject property is located and by VVEDA.

C. Statements of Interest

Before making offers to purchase property in the Project Area, VVEDA shall first have obtained a formal consent of the Participating Jurisdiction within whose territory the property is located and shall notify the owners of any such property by certified mail, return receipt requested, that VVEDA is considering the acquisition of such property. VVEDA shall include a form entitled "Statement of Interest in Participating" (see Exhibit A) with the notification. Within 30 days of receipt of such notification, any owner interested in participating in the Project Area, shall file a "statement of Interest in Participating" ("Statement").

VVEDA may disregard any Statements received after such 30 day period. Any owner, business operator, or tenant may also submit such a Statement at any time before such notification.

VVEDA shall consider such Statements which are submitted on time and seek to develop reasonable participation opportunities for those submitting such Statements whether to stay in place, to move to another location, or to obtain preferences to re-enter the Project Area, etc.

VII. ENFORCEMENT

In the event a property is not developed or used in conformance with the Redevelopment Plan and with VVEDA determination of conformance, or an Owner Participation Agreement, then VVEDA is authorized to (1) purchase the property, (2) purchase any interest in the property sufficient to obtain conformance, or (3) take any other appropriate action sufficient to obtain such conformance; provided, however, that all actions shall only

be taken after VVEDA has obtained formal consent of the Participating Jurisdiction within whose territory the property is located.

VIII. PROCEDURES FOR AMENDING PARTICIPATION RULES

VVEDA may amend these Rules at any meeting held after their adoption provided the persons who have filed Statements and the participants who have entered into Owner Participation Agreements are notified in writing at least fourteen (14) days before the meeting at which the proposed amendment will be considered. The text of the proposed amendment shall be furnished along with the notice of the meetings. Individuals will be notified either in person or by certified mail. Such notice will be mailed or delivered to the address shown on the Statement or as indicated in the Owner Participation Agreement.